



City of Seattle

**Office of Housing
Home Buyer Assistance Program**

Notice of Funds Available

March 2004

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FUNDS AVAILABLE AND SCHEDULE

The City of Seattle Office of Housing (OH) announces the availability of funds for Home Buyer Assistance initiatives. The purpose of this program is to assist families and individuals earning at or below 80 percent of area median income to become homeowners. Nonprofit agencies, private, for-profit developers, and mortgage lenders are invited to submit proposals for projects that will provide homeownership opportunities for low-income households. Within this document you will find criteria regarding applicant and project eligibility, application requirements and project funding.

Funding

Approximately \$7 million for homebuyer assistance is available in 2004. The fund sources are federal HOME Program and City of Seattle Housing Levy. OH reserves the right to award less or more funds, should they become available, depending upon the proposals received. Please be aware that these funds are subject to policies and regulations discussed later in this document.

Schedule

Funds are being released on a first come, first served basis. OH will accept, review and evaluate applications according to funding criteria when received. Priority will be given to new development projects.

Interpreter services for the deaf and materials in alternative formats are available upon advance request. TTY users please call Washington State Relay Service at 1-800-833-6388 and ask them to connect with the Office of Housing at 684-0348.

Pre-Application Meetings

All prospective applicants are strongly encouraged to schedule a pre-application meeting with OH program staff to learn about the eligibility requirements and the goals of the Home Buyer Assistance Program. Please contact the Homeownership Program Manager, at 684-3340 to schedule a meeting.

ELIGIBLE ACTIVITIES

Home Buyer Assistance Program funds may be used for the activities listed below. Please identify how funds will be used on the Project Summary form. There are no funds available through this NOFA for program administration or homebuyer education.

Downpayment Assistance Loans – Development Project-related

Levy and HOME Program funds can be used for downpayment assistance loans to low-income homebuyers purchasing units in a newly constructed or rehabilitated housing projects. Site control is a requirement for an award of downpayment funds earmarked for a development

project, and the developer must demonstrate that the funds will be used within two years. Priority will be given to projects with housing that can reasonably demonstrate that the majority of units will be available the soonest. Application forms 1 – 7 are applicable for this activity.

Development Project Loan

HOME Program funds can be used for to pay development costs for new construction and acquisition/rehabilitation projects, including acquisition, infrastructure and building construction and development soft costs. The project developer commits to sell a specific number of units to income-eligible households at an affordable price within two years from the time the costs are incurred. Evidence of site control is required, except for projects that will acquire scattered site existing single family homes. There are two options for structuring OH's financial support:

- OH will make a short-term loan to the project developer. At the time the homes are sold, all or a portion of the City loan is converted to downpayment assistance loans to individual low-income buyers, as necessary for affordability.
- OH will make a long-term loan to the developer, which ensures continuing affordability to low-income, first-time buyers through restrictions on resale. Community land trusts or other applicants employing this approach must demonstrate capacity to re-market units to eligible buyers and enforce resale restrictions over time. Developers should specify the proposed resale restrictions and affordability period in the application

Applicants for Development Project Loan funds must complete application forms 1 – 12.

Downpayment Assistance Loans to Homebuyers

Levy and HOME Program funds can be used for downpayment assistance loans to low-income households purchasing existing homes or condominiums. Homes must meet Housing Quality Standards and, if federal HOME funds are used, applicable lead based paint regulations. The appropriate processes for these requirements are available from OH staff. Application forms 1 – 6 are required for this activity.

HOME BUYER ASSISTANCE FUNDING POLICIES

To be eligible for City funding, projects must be consistent with the homeownership policies in the City's Consolidated Housing and Community Development Plan and the 2002 Housing Levy Administrative and Financial Plan. Excerpts of these plans are included as Appendices B and C to this document. Specific requirements will vary depending on the fund source(s) awarded to the project. Whenever possible, projects will be awarded just one source of funding.

General Guidelines

The following provides an overview of major program policies affecting both downpayment assistance and development projects. See Appendices B and C for more detail.

- **Funding Limits:** City funds are awarded as gap financing, based on the amount of subsidy projected to be needed for the project and the individual homebuyers. The City will fund up to \$45,000 per qualified household.

Projects that leverage other subsidy funds may offer larger downpayment assistance loans to individual buyers at the time of purchase, based on need. See Downpayment Assistance policies below.

- **Eligible Homebuyers:** Homebuyers earning up to 80% of area median income, who have not owned a home in the past three years, are eligible for City homebuyer assistance. At least half of 2002 Levy funds each year must serve homebuyers with incomes below 60% of median. Income is calculated based on household size, using the IRS 1040 method. The home must be the homebuyer's principle residence.
- **Eligible Project Types:** Eligible projects include, but are not limited to, the following examples:
 - Single family, duplex or townhouse units
 - Condominium units
 - Rental units converting to condominium ownership
(where existing tenants are not displaced)
 - Community Land Trust
 - Purchase/rehabilitation units
 - Lease to own
- **Home Purchase Location:** Funding is available for homebuyer activities within the Seattle City limits; however, Levy funds are restricted primarily to the City's Housing Investment Areas (HIAs). Maps of the HIAs are attached as Appendix A.
- **Maximum Home Purchase Price:** The maximum price of home is limited to the Single Family Mortgage Limit under Section 203(b) of the National Housing Act for the Seattle area that is applicable at the time the home is offered for sale. The current limit for a single family home is \$262,295.
- **First Mortgage Financing:** Borrowers may use any first mortgage product approved by OH, including FHA, Fannie Mae loan products and portfolio loans. OH may establish limitations

on interest rates and fees to protect buyers from excessive costs and make best use of limited public funds.

- **Federal Davis Bacon Wage Rates:** Davis Bacon may be triggered if 12 or more units are assisted with HOME funds, including development cost assistance and/or downpayment assistance that is awarded to support a development project. If federal wage rates are applicable, contractors will be required to provide weekly payroll reports to the City's Human Services Department.
- **Relocation, Displacement and Real Property Acquisition:** OH strongly discourages homebuyer proposals that will result in the permanent displacement of tenants. Projects should be designed to avoid or minimize displacement of tenants. Levy homebuyer funds cannot be used to pay for relocation benefits or compensation and developers will need to identify other sources of funding to cover these costs if necessary. Any temporary relocation or permanent displacement of tenants must comply with all applicable provisions of the City's Tenant Relocation Assistance Ordinance (TRAO). Projects using federal funds must also comply with the City's Residential Anti-displacement and Relocation Assistance Plan (RARAP), the federal Uniform Relocation Act (URA) and other relocation regulations and handbooks applicable to the program.

These policies, laws and regulations contain, among other requirements, different timelines under which residential and commercial tenants and owners must be provided various notices and provide for financial assistance under certain circumstances. For more information about the TRAO, contact City of Seattle Department of Planning and Development, Property Owner and Tenants Assistance Unit located on the 19th floor of Key Tower, or call 684-7979.

If your project will involve any temporary or permanent relocation activities, you must consult with OH staff prior to application submission regarding notices, benefits and documentation requirements. Applicants wishing to be eligible for federal funds should include in any purchase agreement or option provisions designed to ensure compliance with acquisition and relocation requirements.

Downpayment Assistance -- Loan Terms and Other Policies

The following policies and administrative guidelines will apply to all downpayment assistance loans, using both Levy and HOME Program funds. These policies also apply development projects when construction financing is converted to downpayment assistance loans for low-income purchasers. Please see OH staff for more information if needed.

- **Maximum Loan Amount:** Borrowers may receive home purchase assistance up to a maximum of \$45,000. City funds must be used as needs-based, gap financing.

This limit includes all City-administered funds provided in connection with the homeownership development and/or home purchase. Land trust projects that provide both purchase assistance and rehabilitation funding are exempt from this funding limit.

- **Using Average loan limits for projects leveraging other subsidies.** OH may allow additional flexibility so projects or programs can provide a single-source of downpayment

assistance for the convenience of borrowers. To achieve this, rather than layering loans from both Levy funds and non-City subsidy sources to the same buyer, a borrower may receive a higher loan amount, not to exceed \$70,000. This method of applying funding sources is acceptable as long as the average amount of City-funded downpayment assistance does not exceed \$45,000 per buyer for all the homebuyers who receive assistance from the project or lending program. This option is available when a developer or nonprofit lending agency has obtained commitments of City and non-City subsidy funds. Such funds must be used for deferred downpayment assistance loans or other assistance that increases the ability of low-income households to purchase a home.

- **Loan Terms:** Loans will generally be at 3% simple interest, amortizing for 30 years, with payments deferred for the first 8 years. All loans will require shared appreciation. Shared appreciation provisions will be reduced and eliminated over time. The City may approve proposals that provide for the assumption of a loan by a subsequent eligible first-time homebuyer.

OH will provide standard loan terms and model loan documents for use by applicants. These documents are available upon request. Applications for funds must specify the proposed loan terms, and provide a rationale for terms that differ from the standards.

- **Buyer Contribution:** Borrowers must provide a minimum of \$2,500 or 2% of the purchase price, whichever is greater, of their own funds toward the home purchase to match the levy down-payment assistance funds. Borrowers may receive gifts of funds towards their portion of the down payment; however, gifts must not exceed 25% of the borrower's total downpayment requirement.
- **Homebuyer Education:** Buyers must successfully complete a pre-purchase homebuyer education program that is approved by OH. Current homebuyer education programs that are approved by OH include programs certified by the Washington State Housing Finance Commission, the U.S. Department of Housing and Urban Development and the Neighborhood Reinvestment Full-Cycle Lending program. Appendix E provides a list of current approved programs with contacts and phone numbers is attached.

Development Projects -- Loan Terms and Other Policies

The following policies and guidelines apply to development costs and development buy-down projects. Please note that only HOME Program funds are available to support these projects, therefore all applicable federal regulations are in effect, including Davis Bacon wage rates, historic preservation, Endangered Species Act, environmental review, and tenant notification and relocation assistance per the Uniform Relocation Act.

HOME funds are loaned to a developer, and allocated to a specific number of HOME-assisted units within the project. Those specified units must be sold to eligible first-time home-buyers. Funds may be used for site acquisition, construction or other development costs. When construction is completed, all or a portion of the loan will be converted to downpayment assistance loans to low-income homebuyers on an as-needed basis (see Downpayment Assistance Loan Terms above).

As an alternative, OH may make a long-term loan to a nonprofit housing developer to provide development buy-down assistance to a project through a loan agreement. The developer commits to long-term affordability of the housing developed through deed restrictions that limit subsequent sales to eligible first-time buyers at an affordable price throughout the term of the loan agreement.

Additional requirements for development projects include:

- **Community Notification:** The City of Seattle requires applicants for City funds for development to engage in a community notification effort. Clear, open communication is the first step to establishing a positive relationship with neighborhood residents. All applicants must begin a community notification process prior to obtaining site control and prior to submitting their applications. OH's Siting Assistance Coordinator will help applicants develop a communications strategy based on the City's "Policies to Guide Neighborhood Notification Process and Good Neighbor Guidelines" (see Appendix D). Applicants should contact the Communications Director at 684-0604.
- **Appraisals:** Applicants should make acquisition offers subject to verification by appraisals acceptable to the City. OH will use an appraised value based on the highest and best use at the time of property acquisition to assess whether or not a fair price is paid for land or a building. If the purchase price of the property to be acquired for the project is less than or equal to the most recent assessed value of the property by the King County Assessor, an appraisal is not necessary.

Applicants must provide an appraisal with an application for City funding. The appraisal must be: (1) in narrative form, or on Federal Home Loan Mortgage Corporation Forms 71a or 71b; (2) made in compliance with the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA); (3) ordered by another project lending source acceptable to the City; and, (4) completed no more than six months prior to submitting the application for OH funding.

- **Market Study:** Single-family subdivisions and condominium projects must provide a market study prepared by an independent professional analyst, dated no more than 12 months prior to submitting the application for OH funding. The market study should describe the number, size and type of homes to be developed, the anticipated sales price, and projected absorption of the homes in the local market. A market study is not required for scattered site single-family projects.
- **Environmental Review:** All funding awards are subject to the results of environmental review under applicable State and federal environmental laws. New construction projects should include a line item in the Application Development Budget (Form 8) for a biological assessment as required by the Endangered Species Act.
- **Proposed Bidding Process:** All projects where cost of construction work exceeds \$25,000 shall follow a competitive contractor selection process. Applicants that wish to select a contractor through a negotiated bid or other process must obtain advance written approval from the OH Director. OH must approve contractor qualifications for projects prior to the start of construction. Unqualified contractors will be rejected. Pre-qualification of

contractors will be allowed for purposes of establishing a defined list of qualified contractors for competitive bidding. If an alternative bidding process is desired, a description and explanation should be included with this application.

Development projects are encouraged to include the following:

- **SeaGreen Sustainability Plan Template:** Applicants are strongly encouraged to submit a sustainable building plan using the *SeaGreen Affordable Housing Guide* and *SeaGreen Sustainability Plan Template* checklist. For more information, call the Sustainability Specialist for the Office of Housing, 206.684.0304.
- **Women and Minority Business Enterprises:** Woman and minority business enterprise (WMBE) utilization shall be encouraged for all homebuyer projects in accordance with the City's nondiscrimination and fair contracting ordinance. Applicants for City funds are encouraged to take actions that would increase opportunities for WMBE contractors. OH shall encourage other efforts to increase WMBE participation including mentoring programs and participation in apprenticeship and other training opportunities.

Contracting Procedures and Requirements

Projects selected for funding will receive a fund award letter, which will specify funding conditions to be fulfilled prior to release of funds.

For projects seeking only downpayment assistance, OH staff will prepare a Letter of Agreement to be executed when the applicant has met funding conditions. Funds are disbursed to each individual buyer at closing. Funding commitments will be made for a maximum two-year period. All loans to individual homebuyers from an award must be closed within two years of funding award.

For development projects, OH staff will prepare Contract Agreements to be executed when recipients have met funding conditions. Funding will generally be provided as a loan to the project developer. Construction must be completed within two years of funding award.

Additional contract requirements include:

- **Construction payments:** OH funds for construction costs are paid for work that has been completed upon submission of contractor invoices and any other documentation that may be required, including WMBE reporting or Davis Bacon wage rates if applicable.
- **Insurance:** For projects where the City funds are used for construction and development costs, the applicant will be required to provide evidence of insurance coverage at levels acceptable to the City. The City should be named as a loss payee on the property coverage and an additional insured on the liability policy.
- **Progress, Household Demographic and Data Reports:** Demographic information regarding homebuyers will be required as part of each individual loan application. In addition, recipients may be required to provide periodic progress reports or other performance information to OH. The reporting schedule, format and items to be included in the report will be addressed in the contract agreement and will reflect the fund source

requirements. Payment requests will not be processed without required reports.

- **Monitoring:** The Office of Housing may conduct on-site monitoring of each recipient. Monitoring will include site visits and a review of files and financial records. Any deficiencies or required corrective actions will be noted in a formal letter to the recipient.

PROJECT EVALUATION CRITERIA

In order to meet the 2002 Housing Levy requirement to serve households below 60% of median income, OH will seek to fund a mix of projects and programs, including those targeted to lower income households. In addition, OH priorities for funding in 2004 will be:

- Projects with housing units that will be available within the next year.
- Projects that serve households who are at risk of displacement from areas experiencing gentrification.
- Projects that serve households who are members of groups with low homeownership rates, such as minority households, people with disabilities, and those who have language or cultural barriers to ownership.
- Projects that demonstrate community revitalization impact in a Housing Investment Area or other economically distressed area designated in Seattle's Consolidated Plan.

Application Evaluation Factors

Conceptual Soundness

- The project design and scope of work are feasible and respond to City housing goals.
- The site, structure, location and program design are appropriate for the proposed residents and are consistent with neighborhood plan.
- Elements of the project concept meet eligibility requirements of the funding sources.
- The proposed affordability, amount of down payment assistance, loan terms, and payment conditions are appropriate for the target households.

Financial Feasibility

- Budget forms are consistent, accurate, and thorough; estimates and costs are reasonable and well supported.
- A rigorous attempt to leverage other funds is documented and the project will leverage other resources. Documentation of conditional and committed funds is included.
- The proposed mortgage and subsidy amounts are consistent with affordability requirements.
- The marketing plan provides evidence that the proposed homes-- including size, location, price and other features -- can be sold in the local market.

Organizational Capacity

- The applicant demonstrates sufficient skills and experience for the size and complexity of the project.
- The sponsor organization is fiscally sound and has reliable systems to manage and account for public funds.
- The sponsor has realistically assessed obstacles and challenges, including shortfalls in organizational expertise, and has a reasonable mitigation plan to address them.

Readiness

- The Project Schedule and Cash Flow Statement indicates that all proposed and conditional funds will be committed within six months of the OH fund award, and that the project can be completed within two years of the OH contract execution date.
- Issues of zoning, special permits, and environmental hazards are identified and can be

resolved in a timely manner. Applicant has site control. The status of architectural plans, cost estimates and project financing contribute to the timeliness of the proposed schedule.

- A delay in the award of OH funds will significantly impact the occupancy date of the project.

APPLICATION INSTRUCTIONS

Before you begin preparing a City funding application, we recommend you review this document thoroughly to understand funding priorities, program requirements, and the City's application process. OH staff is available to assist applicants by helping them understand City programs and policies, providing sample loan documents, and by offering feedback and comments on project concepts in the early stages of project and program design.

OH does not provide assistance with project development or writing applications for City funding. We expect applicants to have real estate and project development experience or to partner with experienced developers.

- **Application Available in Electronic Form:** The NOFA and the Application forms may be downloaded from the Office of Housing web page at www.cityofseattle.net/housing/. Budget forms are available in Excel at this site. Click on NOFA Applications and then, Home Buyer Assistance Program.

- **Application Format**

The application must be submitted in the following format:

- The narrative portion should be word processed on plain white 8 1/2 x 11 paper.
- Font size for narrative portions should not be less than 12 point.
- Pages should be numbered and sections tabulated.

- **Attached Documents**

Requested documents should be included following the form where requested. These documents include:

- Board Resolution (Project Summary Page)
- Organizational information and financial statements (Form 5)
- Letters confirming counseling and social services support, if applicable (Form 6)
- Evidence of site control (Form 7)
- Appraisal (optional) and Title Report (Form 7, development projects only)
- Market Study, Plans and Specifications, Cost Estimates, other site evaluations, DCLU Pre-Application conference records and zoning documentation (Form 11, development projects only)
- Applications must contain all information requested in the forms in order to be considered for funding. Incomplete applications will be returned to applicants without further review.

- **Number of Copies:** All applicants must submit one (1) original and two (2) copies of the application.
- **Disclosure of Documents**

All proposals and related materials become the property of the City upon delivery to OH. State law, RCW 42.17, provides that public records are subject to public inspection and copying unless specifically exempted. RCW 42.17 enumerates limited exemptions to a public agency's obligation to disclose public records. If the applicant believes that portions of its proposal are exempt from disclosure to third parties, the applicant must clearly label the specific portions sought to be kept confidential and specify an exemption that the applicant is relying on. However, acceptance of an application containing such designations by OH is not an agreement that such material is legally confidential, and OH cannot guarantee that such information will not be disclosed. Marking all or substantially all of an application as confidential may result in the application being rejected.

The applicant recognizes and agrees that the City will not be responsible or liable in any way for any losses that the applicant may suffer from the disclosure of information or materials to third parties, nor for any use of information or materials by third parties. Materials submitted by unsuccessful applicants are subject to disposal unless picked up promptly by the applicant, except that OH will maintain one copy in compliance with public record laws.

- **Where to Submit Applications**

City of Seattle Office of Housing
700 Fifth Avenue, #5700
P. O. Box 94725
Seattle, WA 98124-4725
Attention: Homeownership Program Manager

Project Summary

1. Applicant _____
Address _____
Phone () _____ FAX () _____ E-Mail _____
2. Contact _____
Address _____
Phone () _____ FAX () _____ E-Mail _____
3. Project name: _____
4. Project location (provide address if available):

5. Project Summary (Indicate the amount of OH funds requested and how the funds will be used.):

6. Project Activities:
____ Downpayment Assistance Loans – Existing Housing (complete forms 1 - 6)
____ Downpayment Assistance Loans – Project Related (complete forms 1- 7)
____ Development Project Loan (complete forms 1 – 12, or forms 1-6 for projects that will purchase existing single family homes)
7. How many new homebuyers will you assist during the two-year contract period? _____
8. Affordability commitment:
- | % Median Income | # of Units |
|-----------------|------------|
| | |
| | |
| | |
9. Number of Accessible (Americans with Disabilities Act, ADA) Units: _____
10. Nonprofit applicants must submit a copy of their governing body's resolution and minutes authorizing submittal of this application.
_____ Copy of Resolution is attached
11. Approval of Authorized Official:
Signature _____ Title _____
Name _____ Date _____

1. PROJECT DESCRIPTION

Provide a succinct, complete description of the project and how you plan to assist first-time homebuyers. The description should include the items below.

- A. A description of the property to be acquired, constructed and/or rehabilitated. Describe the location and indicate the status of site control and zoning. Provide a detailed description of any planned construction, rehabilitation or other site improvements.
- B. A description of the type of household to be served in the housing, include information such as the size of household, known special characteristics of (i.e., age, disabilities, special needs, etc.) and an estimate of the amounts and sources of incomes.
- C. A description of the homeownership units, such as single family units, duplex, townhouse, etc. and ownership model.
- D. A description of the downpayment assistance model proposed for use including term, rate, deferral period, and contingent interest, shared appreciation formula and/or right of first refusal.
- E. A description of proposed loan type and terms for proposals requesting funds to pay development costs.

Limit response to 3 pages.

2. DOWNPAYMENT ASSISTANCE BUDGET

Include all sources of funding for down payment assistance in the project, status of funds not yet committed to the project, terms of other sources, the estimated amount per household and the number of households to be assisted per source.

Source	Proposed or Committed*	Total Amount	Term	Estimated \$ per household	Estimated number of Households Served

*If funds are not committed, indicate when the application was or will be submitted.

3. AFFORDABLE HOME BUYER WORKSHEET

Using the form below, calculate the affordability of the homes to the homebuyers. Include several examples to reflect the project's different purchase prices and household incomes, as applicable. Complete the household assumption and loan assumption information for each example.

Calculate the affordability gap (amount needed for downpayment assistance) by subtracting the homebuyer's funds from the purchase price plus closing costs.

Household and Purchase Assumptions		Loan Assumptions	
Gross Monthly Income:	\$	1st mortgage:	\$
% of Median Income:		Interest rate	
Household Size:		Term	
Purchase Price:	\$	2 nd mortgage:	\$
Closing Costs:	\$	Interest rate:	
Homebuyer Cash:	\$	Term:	
Affordability Gap:	\$	# years deferred:	

1. Gross monthly income	
2. Maximum Monthly Housing Costs (____%)*	
Housing Expenses	
3. 1st Mortgage Payment	
4. 2 nd Mortgage Payment	
5. 3rd Mortgage Payment (if applicable)	
6. Property Taxes (note if any exemption)	
7. Homeowners Insurance	
8. Private Mortgage Insurance (PMI)	
9. Other Costs (homeowners dues, condo association dues)	
10. Total Monthly Housing Costs (total lines 3 – 9) (____%)	

*Note: OH generally recommends using a range of 33% to 35% of gross monthly income for maximum monthly housing cost. If you are using a different ratio, please explain on Form 1.

4. PROJECT SCHEDULE

In the table below, list each task for the project in chronological order, and enter a projected completion date and responsible party for each task. At a minimum, show projected dates for commitment of all funding sources, any land use approvals, and milestones for property acquisition and/or construction. Include the timeline for screening and qualifying homebuyers, marketing and all critical activities to the point of selling the homes.

Following the table, describe any aspects of the project that may lead to delays (e.g., zoning, siting) and how the schedule will be adapted to respond.

SCOPE OF WORK		
Task	Projected Completion Date	Responsible Party

Impact of delays on the project.

5. APPLICANT ORGANIZATION AND PROJECT TEAM INFORMATION

Please provide the following information regarding the applicant organization(s) and the staff assigned to the project, and attach the required documentation:

- A. Nonprofit applicants: currently effective IRS ruling providing tax-exempt status; Articles of Incorporation, Charter or Constitution; and Bylaws. If two or more nonprofits are co-applicants, the above information must be submitted for each nonprofit.**
- B. For-profit developers: ownership information, including officers, directors or trustees and identify stockholders owning more than 10% of shares.**
- C. For partnerships or joint ventures, identify partner, indicate whether a general or limited partner, and percent interest.**
- D. Corporate registration with the State of Washington and City Business License.**
- E. Audited financial statements for the past two (2) years including audit findings, management letter and agency response.**
- F. Most recent year-to-date financial statement covering the period from the last audited statement.**
- G. List of current Board of Directors, their terms and brief description of experience.**
- H. List of previous experience with subsidized housing development.**
- I. Organizational portfolio detailing the following categories of projects, the key staff assigned to each, and the schedule for completion:**
 - Projects for which applicants will be submitting for funding with four (4) months;**
 - Projects with partial funding;**
 - Projects ready to move into construction or which are already under construction;**
 - Projects completed but not closed out and projected timeline for close-out.**
- J. Resume of staff person(s) assigned to this project with a description of relevant experience. If the individual does not directly have the experience and you will be relying on teamwork to meet these criteria, describe the working relationship that will bring the relevant experience to bear on this project.**
- K. Experience of the person(s) who will market the homeowner units. Provide evidence of previous experience for at least one project of similar size and type.**

6. HOMEBUYER OUTREACH, EDUCATION AND COUNSELING

- A. Briefly describe how your agency will market the program and how eligible homebuyers will be selected for assistance.**
- B. Describe homebuyer education and counseling services that will be provided by either your own agency or other program to properly prepare first time homebuyers to purchase and maintain their own home. This education should include information on avoiding predatory loans targeted to low-income homebuyers and homeowners. Include in your description your organization's plan for providing assistance with credit repair and/or budgeting for households not yet able to qualify for mortgage financing, and for providing follow-up or post-purchase counseling.**
- C. Identify how these services will be provided, including any linkages with other agencies such as the Washington State Housing Finance Commission, consumer credit counseling and local homebuyer agencies. Provide letters documenting the homebuyer education service if provided by another agency.**
- D. Describe how the homebuyers will be qualified for mortgages and how the closing of home sales will be conducted.**
- E. If the project will serve persons with special needs, describe supportive services that will be provided and attach a letter confirming support by any other agency.**

Limit response to 1 page.

Note: There are no OH funds available through this NOFA to cover the costs of homebuyer education or counseling.

7. SITE CONTROL (*DEVELOPMENT PROJECTS ONLY*)

- A. Provide evidence of site control. Such evidence can include an option to purchase, an earnest money or purchase and sale agreement, or fee simple ownership.**
- B. Project applicants should make acquisition offers subject to verification by appraisals acceptable to the City. OH will use an appraised value based on the highest and best use at the time of property acquisition to assess whether or not a fair price is paid for land or a building. If the purchase price of the property to be acquired for the project is less than or equal to the most recent assessed value of the property by the King County Assessor, an appraisal is not necessary.**

Applicants must provide an appraisal with an application for City funding. The appraisal must be (1) in narrative form, or on Federal Home Loan Mortgage Corporation Forms 71a or 71b, (2) made in compliance with the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA), (3) ordered by another project lending source acceptable to the City, and (4) prepared within six months prior to the application to OH for funding.

- C. An applicant must submit a preliminary title report to provide a description of title conditions. In cases where a title is clouded with actions such as law suits, disputed liens, or forfeiture or foreclosure actions for which the seller cannot demonstrate resolution, site control will not be assumed.**

Please note ALL sources including OH funds.

Purchase Price
Liens
Closing, Title & Recording Costs
Extension payment
Other: _____

Basic Construction Contract
Bond Premium
Infrastructure Improvements
Hazardous Abate. & Monitoring
Construction Contingency (%)***SEE BELOW**
Sales Taxes
Other Construction Costs: _____
Other Construction Costs: _____
SUBTOTAL

Appraisal
Architect/Engineer
Environmental Assessment
Geotechnical Study
Boundary & Topographic Survey
Legal
Developer Fee
Project Management
Technical Assistance
Other Consultants: _____
Other: _____
SUBTOTAL

Real Estate Tax
Insurance
Relocation
Bidding Costs
Permits, Fees & Hookups
Impact/Mitigation Fees
Development Period Utilities
Construction Loan Fees
Construction Interest
Other Loan Fees (WCDLF, State HTF, etc.)
Accounting/Audit
Marketing Expenses
Carrying Costs
Operating Reserves
Other: _____
SUBTOTAL

Total Development Cost**

--	--	--	--	--	--

Attach additional pages if necessary.

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8. DEVELOPMENT BUDGET, CONTINUED

BRIDGE CONSTRUCTION FINANCING DETAIL

Lender: _____ \$ Secured? _____ yes _____ no

Type of Loan _____

Interest Rate _____ %

Loan Term (# mos) _____

Loan Fee _____ %

Amortization(#of mos)_____

Lender: _____ \$ Secured? _____ yes _____ no

Type of Loan _____

Interest Rate _____ %

Loan Term (# mos) _____

Loan Fee _____ %

Amortization(#of mos)_____

Lender: _____ \$ Secured? _____ yes _____ no

Type of Loan _____

Interest Rate _____ %

Loan Term (# mos) _____

Loan Fee _____ %

Amortization(#of mos)_____

PERMANENT FINANCING DETAIL

If permanent financing is not secured, explain status.

Lender: _____ \$ Secured? _____ yes _____ no

Type of Loan _____

Interest Rate _____ %

Loan Term (# mos.) _____

Loan Fee _____ %

Amortization (#of mos.)_____

Lender: _____ \$ Secured? _____ yes _____ no

Type of Loan _____

Interest Rate _____ %

Loan Term (# mos.) _____

Loan Fee _____ %

Amortization (#of mos.)_____

9. DEVELOPMENT BUDGET NARRATIVE (*Development Proposals Only*)

- A. Use the chart on the following page to explain how the cost for each expense was determined and when the estimates were made. Estimates in the development budget should be reasonable, cost effective, and appropriate to the scale and complexity of the project.**
- B. Identify who made the estimates and the assumptions used in making such estimates.**

9. DEVELOPMENT BUDGET NARRATIVE, CONTINUED

For each cost item, explain the basis for the cost and when the estimate was made. Also, identify who made the estimates.
--

Acquisition Costs:

Purchase Price
Liens
Closing, Title & Recording Costs
Extension payment
Other:

Total Costs	

Construction

Basic Construction Contract
Bond Premium
Infrastructure Improvements
Hazardous Abate. & Monitoring
Construction Contingency (%)
Sales Taxes
Other Construction Costs: _____
Other Construction Costs: _____

Development Costs: Professional

Appraisal
Architect/Engineer
Environmental Assessment
Geotechnical Study
Boundary & Topographic Survey
Legal
Developer Fee
Project Management
Technical Assistance
Other Consultants: _____
Other: _____

Other Development Costs

Real Estate Tax
Insurance
Relocation
Bidding Costs
Permits, Fees & Hookups
Impact/Mitigation Fees
Development Period Utilities
Construction Loan Fees
Construction Interest
Other Loan Fees (WCDLF, State HTF, etc.)
Accounting/Audit

Marketing Expenses
Carrying Costs
Operating Reserves
Other: _____

10. ESTIMATE OF CASH FLOW DURING DEVELOPMENT (*DEVELOPMENT PROPOSALS ONLY*)

Use the following form to provide a cash flow analysis of your development budget from pre-development through completion of construction. At the bottom of the page note any potential for lags in the flow of cash that could jeopardize the project. A “Sample Estimate of Cash Flow during Development” follows the form.

On the cash flow form, write the month and year of the beginning quarter of the project.

10. ESTIMATE OF CASH FLOW DURING DEVELOPMENT, CONTINUED

DEVELOPMENT PROJECTS ONLY (Extend Quarters as Needed)

SOURCES AND AMOUNT OF REVENUE:

	Quarter 1 Mo/Yr	Quarter 2 Mo/Yr	Quarter 3 Mo/Yr	Quarter 4 Mo/Yr	Quarter 5 Mo/Yr	Quarter 6 Mo/Yr	Quarter 7 Mo/Yr	Quarter 8 Mo/Yr	Totals
Short-term Financing									
<i>Subtotal</i>									
Permanent Financing									
<i>Subtotal</i>									
Revenue through Sales									
<i>Subtotal</i>									

Total Revenue By Quarter

--	--	--	--	--	--	--	--	--	--

cross-check

EXPENSES:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5	Quarter 6	Quarter 7	Quarter 8	Totals
<i>Acquisition Costs</i>									
<i>Construction Costs</i>									
<i>Dev. Costs: Professional</i>									
<i>Other Development Costs</i>									
<i>Repayment of Pre-Dev Loan</i>									
<i>Repayment of Construction Loan</i>									
Total Cost By Quarter									

cross-check

REMAINDER BY QUARTER:

(Revenue less Cost)

--	--	--	--	--	--	--	--	--	--

Notes on potential cash
flow problems:

SAMPLE - ESTIMATE OF CASH FLOW DURING DEVELOPMENT

SOURCES AND AMOUNT OF REVENUE:

	Quarter 1 Mo/Yr	Quarter 2 Mo/Yr	Quarter 3 Mo/Yr	Quarter 4 Mo/Yr	Quarter 5 Mo/Yr	Quarter 6 Mo/Yr	Quarter 7 Mo/Yr	Quarter 8 Mo/Yr	Totals
Short-term Financing									
<i>Pre-development Loan</i>	\$15,000	\$10,000	\$0	\$25,000					\$50,000
<i>Subtotal</i>									\$50,000
Permanent Financing									
<i>Name of Source A</i>				\$150,000		\$115,000			\$265,000
<i>Name of Source B</i>				\$150,000	\$40,000	\$440,000	\$610,000		\$1,240,000
<i>Name of Source C</i>				\$100,000					\$100,000
<i>Name of Source D</i>						\$145,000	\$475,000	\$380,000	\$1,000,000
<i>Name of Source E</i>	\$10,000	\$25,000	\$50,000	\$35,000	\$35,000	\$35,000	\$100,000	\$105,000	\$395,000
<i>Subtotal</i>									\$3,000,000
Total Revenue By Quarter	\$25,000	\$35,000	\$50,000	\$460,000	\$75,000	\$735,000	\$1,185,000	\$485,000	\$3,050,000

Helpful Hint: First complete the expense section and then complete the revenue section. Also note that the total expended appears to be \$50,000 in excess of the \$3.0M project cost. This is because the pre-development loan payoff is included as an expense.

EXPENSES:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5	Quarter 6	Quarter 7	Quarter 8	Totals
<i>Acquisition Costs</i>				\$325,000					\$325,000
<i>Construction Costs</i>						\$250,000	\$1,200,000	\$800,000	\$2,250,000
<i>Dev. Costs: Professional</i>	\$25,000	\$35,000	\$50,000	\$65,000	\$30,000	\$10,000	\$20,000	\$90,000	\$325,000
<i>Other Dev. Costs</i>				\$20,000	\$45,000			\$35,000	\$100,000
<i>Repayment of Pre-Dev Loan</i>				\$50,000					\$50,000
Total Cost By Quarter	\$25,000	\$35,000	\$50,000	\$460,000	\$75,000	\$260,000	\$1,220,000	\$925,000	\$3,050,000
									cross-check

REMAINDER BY QUARTER:

(Revenue less Cost)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
---------------------	-----	-----	-----	-----	-----	-----	-----	-----	-----

Notes on potential cash flow problems:

Total project cost = \$3.0M with \$50,000 from the Impact Capital Pre-dev. Loan Fund

11. CONSTRUCTION AND PROJECT READINESS (*DEVELOPMENT PROPOSALS ONLY*)

A. **Market Study.** Include description of the size and type of homes to be developed, the anticipated sales prices, and projected absorption of the homes. Compare the proposal to other developments in the local market.

B. **Plans and Specifications.** Include plans and outline specifications for the project. The submittal should describe all aspects of the scope of construction work. Documentation of the proposed scope of work should be appropriate to the size, complexity, and type of the project.

Notes: Drawings and specifications will need to define the work items for cost estimating and bidding as a minimum for project approval. Basic floor plans, elevations and building sections will be required for projects requiring a building permit.

C. **Detailed cost estimates.** Include cost estimate information for each work item in the proposed project. These estimates should be prepared by a qualified, Washington State licensed architect or engineer, licensed general contractor, or cost estimator. Estimates are to be on professional letterhead, dated and signed by the consultant.

Notes: Prepare estimates for substantial rehabilitation or new construction projects using the Construction Specification Institute (CSI) format including divisions 1-16.

D. **Outline specifications.** Include outline specifications using the Construction Specification Institute (CSI) format including divisions 1-16.

E. **As-built floor plans.** Show all floors including basements for existing structures in as-built floor plans.

F. **Proposed schematic drawings.** Include typical floor plans, primary elevations, descriptive building section, site plan and roof plan. Schematic drawings should be 1/8" equals 1'-0" at a minimum in scale. The drawings may be reduced for proposal presentation.

G. **Architectural consultant reports.** Reports should address the condition of the building and the proposed scope of work.

H. **Structural report of existing conditions.** Required for all rehabilitation projects.

I. **Soils report.** Required for all new construction.

J. **Mechanical, Electrical sub-consultant reports.** Required for all rehabilitation projects. Reports should include a description of conditions and recommendations.

K. **Signed DCLU Pre-Application conference records.** The Land-Use and Plans Examination pre- Department of Construction and Land Use (DCLU). Please indicate to DCLU that the conferences are part of the development of a project for the Office of Housing.

- L. **Hazardous Materials Survey.** The hazardous materials survey must identify the presence and amount of asbestos, storage tanks, contaminated soil, lead paint and any other hazardous materials in the building or on the property. The consultant must be licensed and experienced with hazardous materials abatement in construction or rehabilitation work similar in scope and character to the proposed project.
- ❑ Tests: The proposal must include the results of tests to verify the presence of suspected hazardous materials and a description of the proposed abatement scope of work and cost estimate.
 - ❑ Surveys: New construction proposals must include a site survey for the presence of hazardous materials and a survey of any existing buildings to be demolished
 - ❑ Cost Estimates: The consultant's costs estimate must include the following services:
 - I. Evaluate the hazardous materials survey;
 - II. Prepare bid documents;
 - III. Administer the bid process;
 - IV. Evaluate the bids;
 - V. Administer the contract for abatement;
 - VI. Monitor the abatement work; and
 - VII. Complete the close-out and final surveillance report and submit a copy to OH.
- M. **Evidence of Zoning.** Provide documentation that the site is properly zoned for the proposed use. Is a conditional use permit, or other type of exception necessary in order to use the site? If yes, please explain.
- N. **SeaGreen Sustainability Plan Template.** Applicants are strongly encouraged to submit a sustainable building plan using the *SeaGreen Affordable Housing Guide* and *SeaGreen Sustainability Plan Template* checklist. For more information, call Joanne T. Quinn, OH's Sustainability Specialist, at 684-0304.
- O. **Women and Minority Business Enterprises.** Women and minority business enterprise (WMBE) utilization shall be encouraged for all homebuyer projects in accordance with the City's nondiscrimination and fair contracting ordinance. Applicants for City funds are encouraged to take actions that would increase opportunities for WMBE contractors. OH shall encourage other efforts to increase WMBE participation including mentoring programs and participation in apprenticeship and other training opportunities.
- P. **Description of the proposed bidding process.** All projects where cost of construction work exceeds \$25,000 shall be bid competitively. However, the OH Director may approve a change in this requirement if she determines that competitive bidding is not practical. If an alternative bidding process is desired, a description and explanation should be included with this application.

12. COMMUNITY NOTIFICATION (*DEVELOPMENT PROJECTS ONLY*)

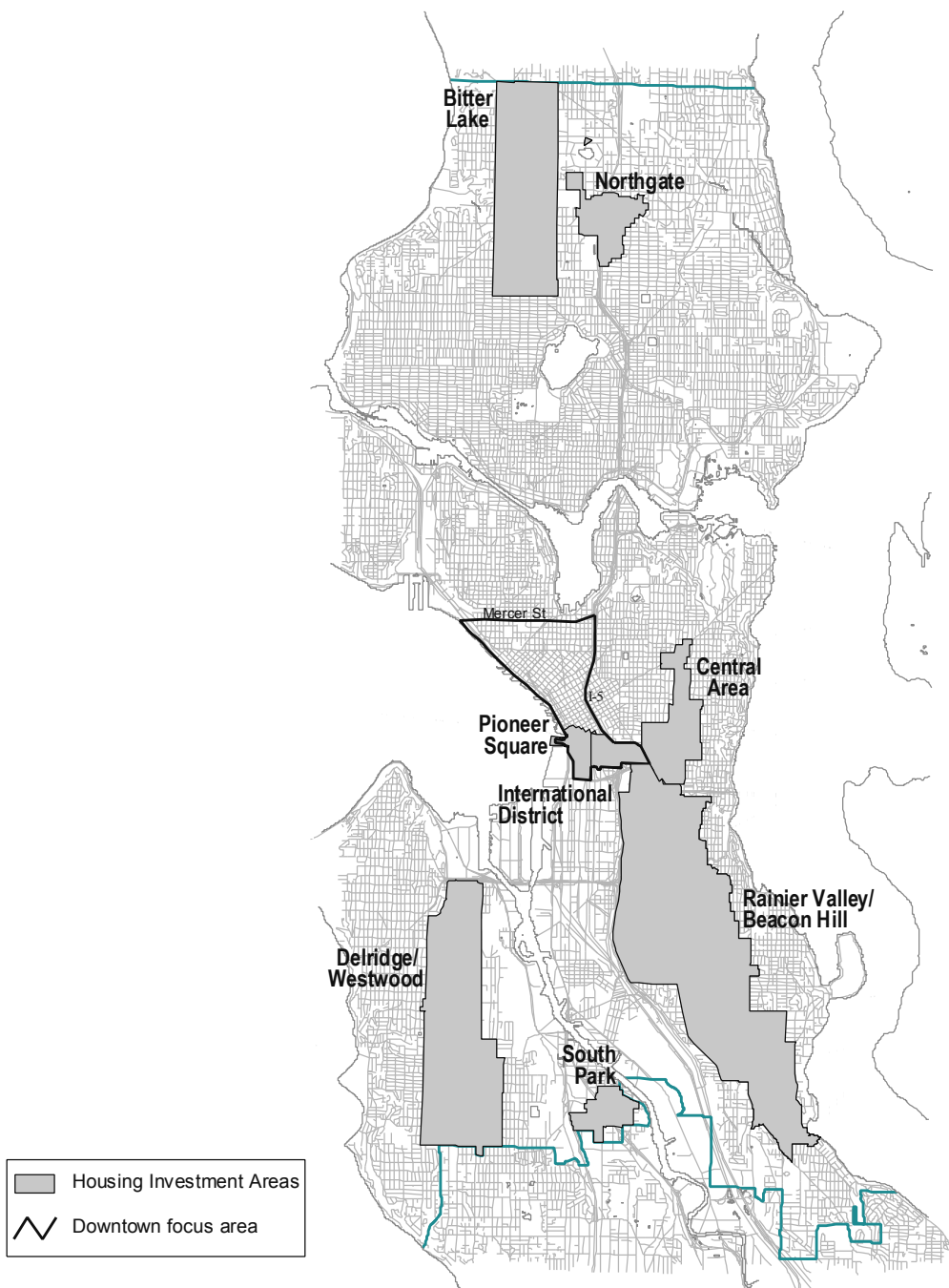
All proposals for construction funding must engage in a community notification effort. Clear, open communication is the first step in establishing a positive long-term relationship with neighborhood residents. For community notification assistance, applicants should contact the Siting Assistance Coordinator at the Office of Housing, Communications Director, at 684-0604. A copy of the City's *Good Neighbor Guidelines/Notification Requirements* is attached as Appendix D.

Based on conversations with the Communications Director (684-0604), please describe the community notification activities you conducted prior to submittal of application, include the dates completed, the names of the individuals and/or organizations contacted, and the results.

- A. Please describe the contacts with the City Siting Coordinator and the Department of Neighborhoods' Neighborhood Service Center staff for the District in which the proposed project is located. Were additional issues raised particular to this project in that neighborhood? If so, what were they? What community organizations and/or individuals were contacted and what issues did they raise? How have you responded to them?
- B. Please describe the contacts with immediate neighbors of the site (within 300 feet of the property). What questions, issues or concerns did they raise? How have you responded to them?
- C. Describe plans for ongoing communication with your neighbors and neighborhood organizations and discuss the following questions: What is your plan for communication and community involvement during the remainder of your planning and design process? Will you be attending regularly scheduled meeting(s) of local community organizations? Will you be hosting your own community meeting(s)? Will you be forming a community advisory committee? You may wish to include a description of similar experiences working on other projects in this or another community that demonstrates your agency's ability to promote and maintain good community relations.

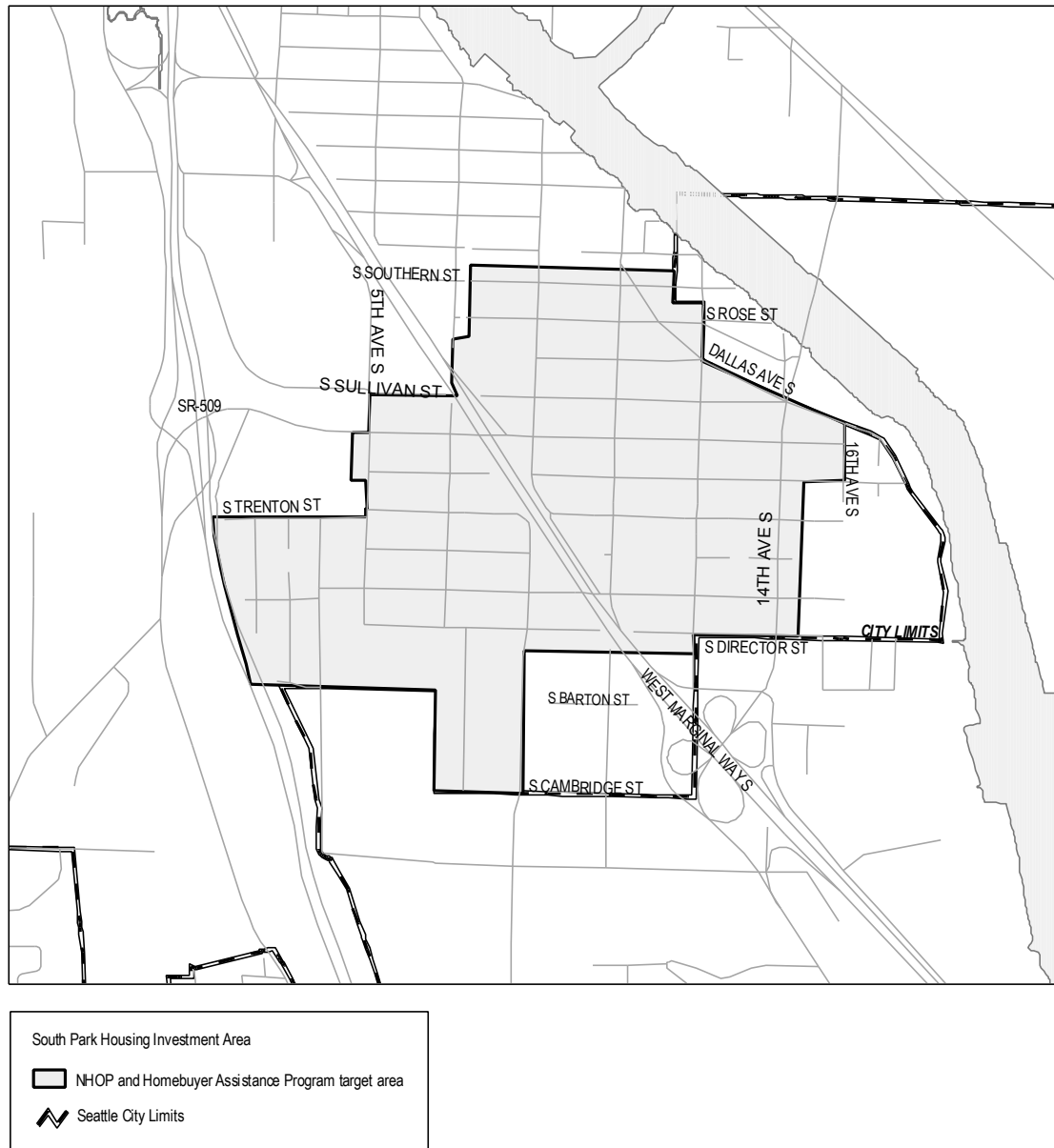
Appendix A

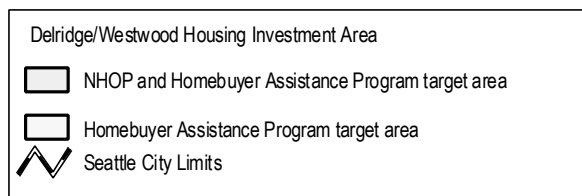
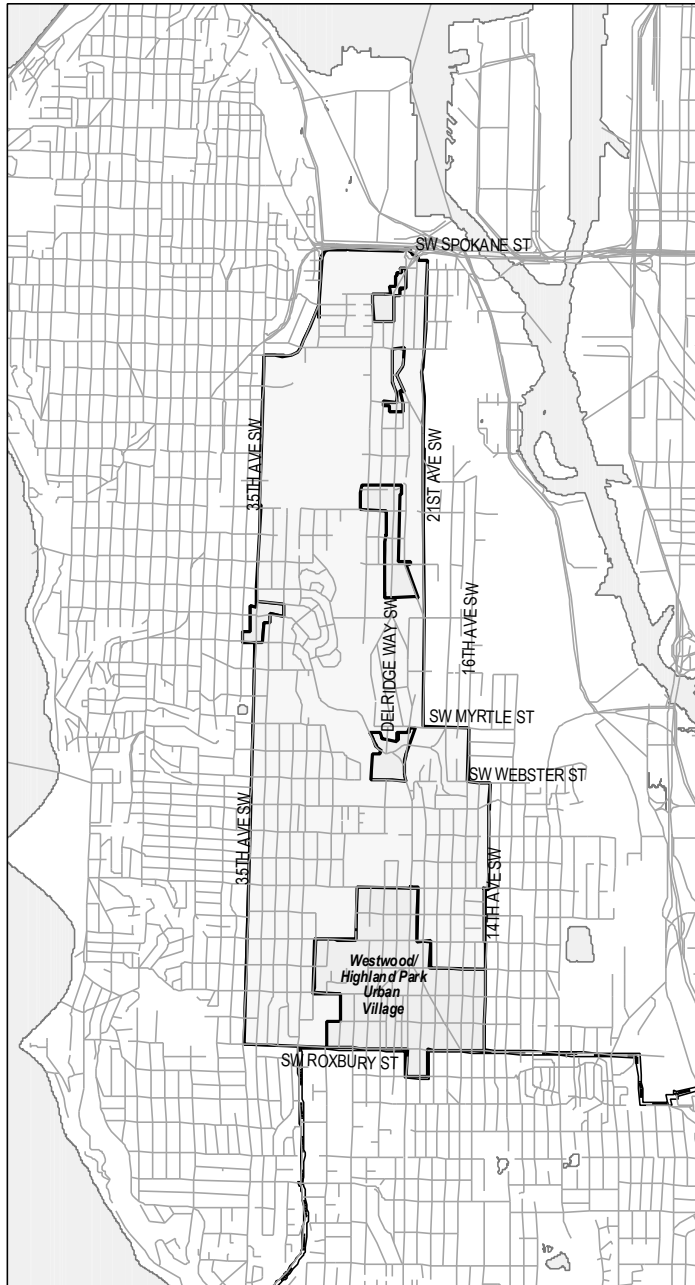
HOUSING INVESTMENT AREA MAPS

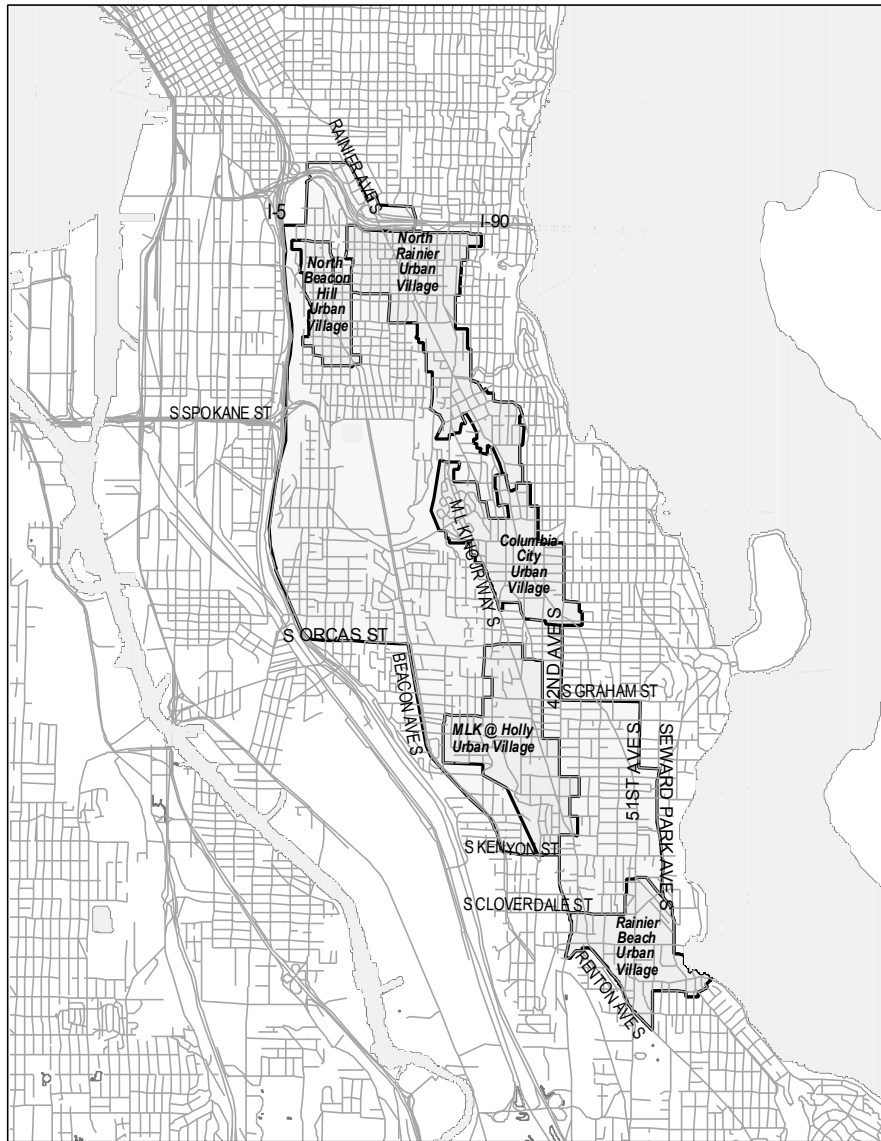






International District Housing Investment Area
NHOP and Homebuyer Assistance Program target area

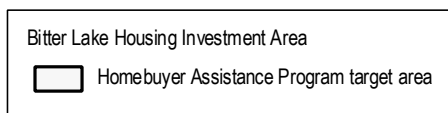
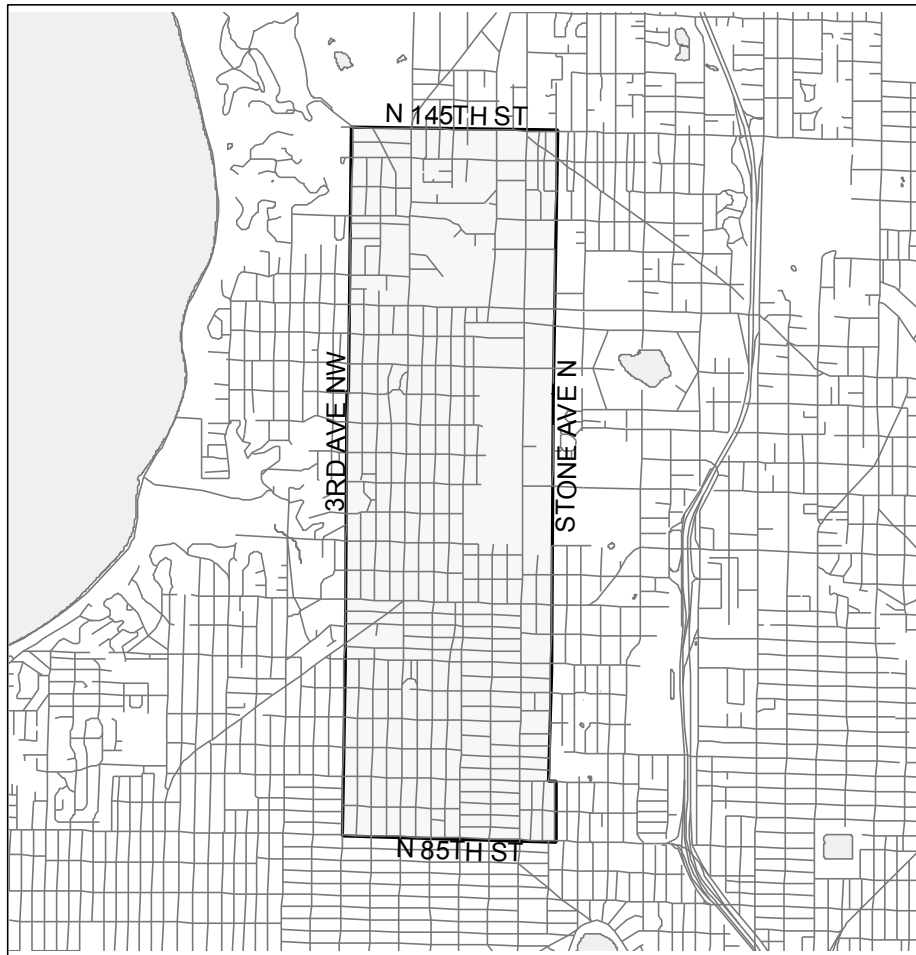


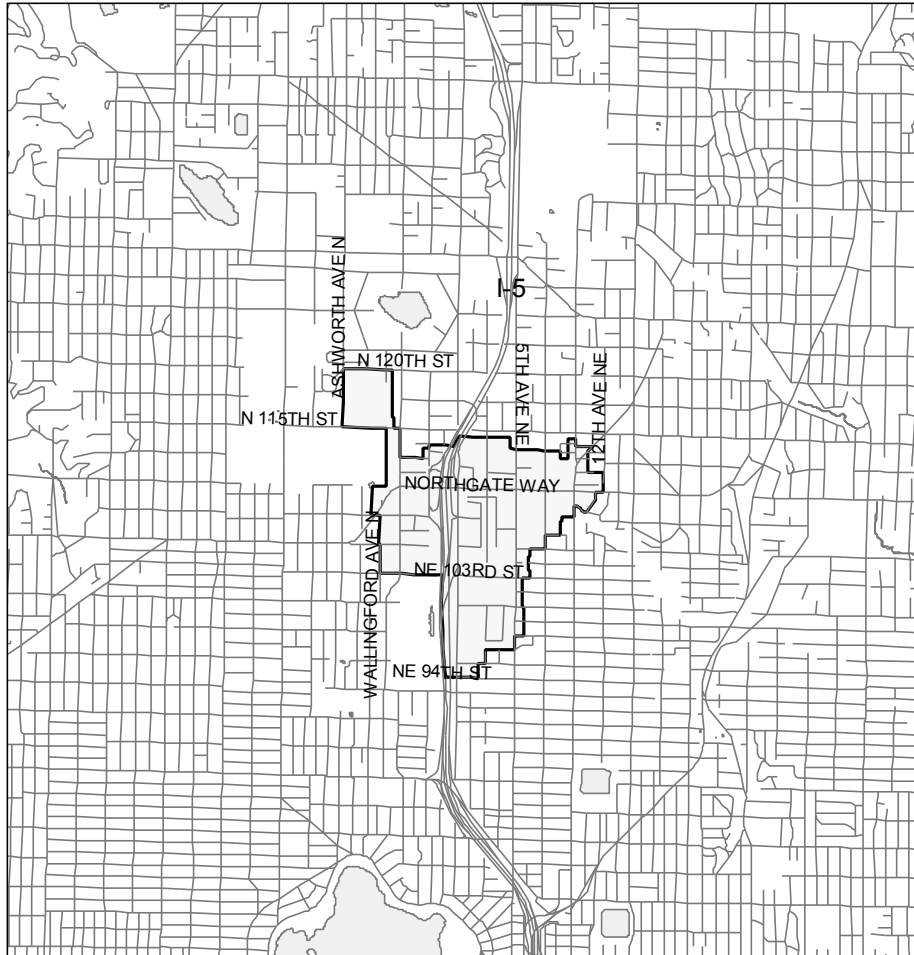





Rainier Valley/Beacon Hill Housing Investment Area

-  NHOP and Homebuyer Assistance Program target area
-  Homebuyer Assistance Program target area





Northgate Housing Investment Area

 Homebuyer Assistance Program target area

HOMEOWNERSHIP POLICIES
2002 Housing Levy Administrative and Financial Plan

2002 Housing Levy <i>A & F PLAN</i> 2003-2004	HOMEOWNERSHIP <i>B. Home Buyer Assistance</i>
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	Total: 2003-2009	2003-2004
Program Funding:	\$7,811,000	\$2,231,714
Unit Goal:	326 Home Purchasers	93 Home Purchasers

The purpose of the Home Buyer Assistance Program is to assist low-income first-time homebuyers to purchase a home in the City of Seattle. A total of \$7.8 million of Levy funding is allocated for the Home Buyer Assistance Program, not including administration. A goal has been established of assisting 326 low-income households to become homeowners through participation in this program. Home purchase assistance will be provided through one or more revolving loan funds, and new loans will be made as loans are repaid. Preference will be given to borrowers who live in Seattle or with a least one person employed within the City of Seattle.

A. PROGRAM OBJECTIVES

The following general program objectives will guide the implementation of the Home Buyer Assistance Program:

- Provide home purchase assistance to eligible borrowers to help them become homeowners in Seattle.
- Help maintain and expand the affordable housing capacity in the City, particularly within economically distressed communities, by supporting the development of new housing and the renovation of vacant or deteriorated housing.

- Promote homeownership in Seattle, particularly for low-income households and people of color.
- Aggressively pursue other sources of homebuyer assistance funds (State Housing Trust Fund, etc.) to leverage the available levy dollars with a goal of achieving a \$2 to \$1 ratio of City funds to non-City funds provided for homeownership.
- Give priority to projects or programs that bring highest leverage to the Levy funding with a goal of achieving a \$2 to \$1 ratio of City funds to non-City funds. All program participants (banks, non-profits, borrowers) should contribute in order to participate; e.g., loan or development discounts, fee waivers, other downpayment assistance funds for banks; a proven lending/administrative track record for nonprofit organizations; adequate cash savings for borrowers, etc.
- Use existing service delivery systems for lending activities.
- Require borrowers to complete pre-purchase homebuyer education program conducted by a trainer certified by the Washington State Housing Finance Commission, U.S. Department of Housing and Urban Development, Neighborhood Reinvestment Full-Cycle Lending, or other education program for first-time buyers approved by the Office of Housing. OH will conduct periodic reviews in cooperation with other funders, nonprofit counseling agencies and lenders to determine if changes in the education requirement are needed.
- Support pre-purchase and post-purchase counseling through qualified nonprofit counseling agencies where necessary, and encourage referrals through a clearinghouse for matching the pre-purchase and post-purchase educational needs of potential borrowers with available training programs.
- Prepare an annual financial report including information such as:
 - number of loans approved,
 - value of loans approved,
 - number of loans in portfolio,
 - value of loans in portfolio,
 - delinquency rate for loans in portfolio,
 - repayment terms and projected loan repayments
 - leveraging of other funds,
 - levels of activity of participating agencies and/or financial institutions,
 - number of homes sold to new owners.
- Continue working on program development activities for the expansion of the program, including:
 - leveraging additional public and private funding,
 - coordinating with housing repair, weatherization and other community revitalization efforts,
 - exploring opportunities for program models, such as land trusts, coops, lease-

purchase, etc., using both levy and other sources of funding that may become available.

- Prepare an annual program performance report providing information such as any additional fund sources identified for the homebuyer assistance program, and the community development impacts in economically distressed areas.

B. PROGRAM POLICIES

1. FUNDING ALLOCATION POLICY AND GEOGRAPHIC FOCUS

- At least half of program funding will assist borrowers with incomes at or below 60% of median income; all program funding must be used to assist borrowers with incomes at or below 80% of median income.
- Levy funds will be used primarily in economically distressed communities. These areas are shown on the maps attached as Attachment A. At least 75% of funds will assist borrowers purchasing homes in these areas. Up to 25% of funds is available city-wide, including economically distressed communities. These areas shall be reviewed in the Fall of 2003; changes may be made to the maps at that time.

2. ELIGIBLE USE OF FUNDS

- Levy funds will be used only for downpayment and closing cost assistance and/or interest rate write down for eligible buyers.
- All types of units are eligible for purchase, including single family residences, condominiums, limited equity cooperatives, co-housing, land trusts and homes on leased land.
- The maximum home purchase price is the same as the FHA mortgage limit, as adjusted annually.
- Potential borrowers must purchase a home in Seattle as their principal residence. Investment properties will not be allowed under this program. Homes with an accessory dwelling unit are eligible, provided that the borrower is an owner-occupant of the home. A lease-to-own contract may be considered a purchase.
- Borrowers may purchase any type of residential property, whether currently owner or renter occupied or vacant. If tenants are displaced as a result of sale to an owner-occupant under this program, tenant relocation assistance, if any, will not be paid out of levy funds.

3. HOME BUYER ELIGIBILITY

- Potential borrowers must have a household income at or below 80% of median income, adjusted for household size.
- Potential borrowers must be first-time homebuyers defined as: any individual who has not owned a home during the past three-years, except that a) any individual who is a displaced homemaker may not be excluded because that individual, while a homemaker, previously owned a home with his or her former spouse or partner; and b) any individual who is a single parent or guardian of a minor child may not be excluded because that individual previously owned a home with his or her spouse or partner.
- Potential borrowers must successfully complete a pre-purchase homebuyer education program approved by OH.
- Potential borrowers must be able to financially qualify for a first mortgage approved by OH.
- Income definitions will be based on those developed by OH for single family housing programs.

4. LENDING GUIDELINES

- Homebuyer assistance will be limited to the amount needed for each borrower, providing gap financing for low-income borrowers unable to qualify for sufficient private financing to purchase an affordable home.
- Borrowers may receive home purchase assistance up to a maximum of \$45,000, including both Levy funds and other City-administered funds. Home purchase assistance means all such assistance, including loans to homebuyers; loans to developers or prior owners assumed by, or otherwise passed through to, homebuyers; and interest rate buy downs. Assistance for any improvements, if committed or provided in connection with a home purchase, is considered to be assistance for the purchase, except for assistance provided to a nonprofit developer for development costs associated with a land trust project.
- In order that single-source downpayment assistance may be provided for the convenience of borrowers, in lieu of loans from both Levy funds and non-City sources to the same borrower, OH may allow a higher amount of City-funded home purchase assistance, not to exceed \$70,000, for a borrower that receives a loan made as part of a project or lending program for which a developer or nonprofit lending agency has obtained commitments of non-City homebuyer subsidy funds, only if all of the following conditions are satisfied:

(1) Non-City subsidy funds provided to such project or program must be used for deferred down payment assistance loans or other assistance that increases the ability of low-income households to purchase a home.

(2) The average amount of City-administered home purchase assistance for all low-income homebuyers participating in the project or lending program, including buyers who do not receive any City-administered funds, may not exceed \$45,000.

The City's maximum home purchase assistance amount shall remain at \$45,000 in all other instances.

- Homebuyer assistance will be structured with repayment obligations, using a promissory note and deed of trust approved by the Office of Housing.
- Loans will generally be 30-year amortizing loans, with payments deferred for the first 5 to 8 years. All loans will require anti-windfall protections such as shared appreciation, resale restrictions, right of first refusal and other measures; shared appreciation provisions may be reduced and/or eliminated over time. Loan repayment terms shall specify the interest rate, which generally shall not exceed 3% simple interest; loan term; period of payment deferral; and any contingent interest or share of appreciation.
- Borrowers must provide a minimum of \$2,500 or 2.0 % of the purchase price, whichever is greater, of their own funds toward the home purchase to match the levy down-payment assistance funds. Borrowers may receive gifts of funds towards their portion of the down payment; however, gifts must not exceed 25% of the borrower's total downpayment requirement.
- Borrowers may use proceeds from the sale of assets towards their downpayment requirement; e.g., selling a car, cashing in retirement accounts, etc. Sources of cash must be verified.
- The terms of each loan made to a homebuyer shall provide that the entire balance, plus share of appreciation, if any, is due upon sale or refinance of the home, to the extent permitted by applicable law. Loan terms may permit assumption of the loan by another eligible borrower in lieu of repayment.
- Borrowers may use any first mortgage product approved by OH, including FHA and Fannie Mae products, and portfolio loans. FHA 203(k) purchase-rehabilitation loans are also eligible, provided the rehabilitation amount exceeds \$5,000.
- OH may establish a loan committee to review loan exceptions; a system to track the performance of loans shall also be established.
- OH will have the authority to revise the maximum loan amount (\$45,000) by up to \$10,000 for the downpayment assistance program, if increases in interest rates or sales prices, or lack of other homebuyer subsidies, create difficulty in qualifying low

income households as homebuyers in Seattle. The Director of the Office of Housing must provide five working days notice to the Mayor and City Council if the loan amount is to be increased. The final decision of the OH Director will be made with responses from the Mayor and City Council taken into account. Council approval is required if the OH Director wants to increase the maximum loan amount by more than \$10,000.

5. ALLOCATION OF FUNDS

- OH will issue a general Notice of Funding Availability (NOFA) for homebuyer assistance funds. The NOFA will describe when applications may be submitted and outline application requirements. Applications may be submitted by a nonprofit or for-profit developer, lender, or other organization requesting an allocation of funds for eligible low-income homebuyers to be assisted through a development project or lending program.
- New applicants are strongly encouraged to attend a pre-application conference with OH staff to discuss program requirements and project feasibility.
- OH staff will review proposals based on criteria including financial feasibility, organizational capacity, leverage of other fund sources and consistency with levy policies.
- Funding awards shall be approved by the OH Director. Funding awards are preliminary, and may be contingent on commitment of other homebuyer assistance subsidy funds or other funding conditions.
- Upon evidence that any funding conditions have been met, OH will enter a Letter of Agreement (LOA) with the developer or nonprofit lending agency. The LOA will reserve homebuyer assistance funding for the project or program for up to two years. The LOA will establish the documentation required for each home purchase transaction, including buyer information, loan terms, form of loan documents, promissory notes and deeds of trust required for city assistance.
- OH will process purchase assistance requests for each low-income buyer at the time that the buyer is ready to purchase a home. OH will review documentation to determine borrower eligibility and consistency with levy policies and program guidelines.

**HOMEBUYER ASSISTANCE POLICY
AND
FEDERAL HOME PROGRAM POLICIES
FOR HOME BUYER ASSISTANCE PROJECTS
Consolidated Housing and Community Development Plan, November 2003**

Homebuyer Assistance Policy

The City has had a Homebuyer Assistance program in place since 1997. This program provides down payment assistance loans to first time homeowners. The program is supported by HOME funds and 1995 and 2002 Housing Levy funds.

Policies Applicable to All City Homebuyer Assistance

The following policies apply to all assistance for the purchase of property for home ownership when that assistance is either provided by the City (using any fund source) or is provided by a public or non-profit agency either using funds lent or granted by the City, or using money or property that is subject to an agreement with the City because it is derived from City funds or property (for example, money in a revolving loan fund). In this section "City Homebuyer Assistance" means all such assistance, including loans to homebuyers; loans to developers or prior owners assumed by, or otherwise passed through to, homebuyers; and interest rate buy-downs. Assistance for any improvements, if committed or provided in connection with a home purchase, is considered assistance for the purchase.

The total amount of City Homebuyer Assistance for any household is limited to \$45,000, except for assistance provided to a non-profit developer for development costs associated with a land trust project.

In order that a single-source of downpayment assistance may be provided for the convenience of borrowers, in lieu of loans using both City and non-City funds to the same borrower, OH may allow a higher amount of City Homebuyer Assistance, not to exceed \$70,000, for a borrower who receives a loan made as part of a project or lending program for which a developer or non-profit lending agency has obtained commitments of non-City homebuyer subsidy funds, only if all of the following conditions are satisfied:

- (1) Non-City subsidy funds provided to such project or program must be used for deferred down payment assistance loans or other assistance that increases the ability of low-income households to purchase a home.
- (2) The average amount of City-administered home purchase assistance for all low-income homebuyers participating in the project or lending program, including buyers who do not receive any City-administered funds, may not exceed \$45,000 per buyer.

All program participants are required to complete a homebuyer education program and be certified by the agency providing the education. Potential borrowers must be first-time homebuyers with incomes at or below 80% of median income and be able to financially qualify for a first mortgage with a participating lender. First-time homebuyers are defined as "any individual who has not owned a home during the three year period prior to the purchase of a home, except that a) any individual who is a displaced homemaker may not be excluded because that individual, while a homemaker, owned a home with his or her spouse or partner; and b) any individual who is a parent or guardian of a minor child may not be excluded because that individual previously owned a home with his or her former spouse or former partner." Priority is given to borrowers who live in Seattle, are public employees working in Seattle, or other households with at least one person employed within the City of Seattle.

All loans are secured with a deed of trust and promissory note. Repayment terms shall be subject to Office of Housing approval and shall specify an interest rate, which generally shall not exceed 3% simple interest. All loans require anti-windfall protections such as shared appreciation, resale restrictions, right of first refusal and other measures; such provisions may be reduced and/or eliminated over time. The Office of Housing has the authority to revise the maximum loan amount of \$45,000 by up to \$10,000 for the downpayment assistance program, if increases in interest rates or sales prices, or lack of other homebuyer subsidies, create difficulty in qualifying low-income households for homebuyers in Seattle. The Director of OH must provide five (5) working days' notice to the Mayor and City Council if the loan amount is to be increased. The final decision of the OH Director is made with responses from the Mayor and City Council taken into account. Council approval is required if the OH Director wants to increase the maximum loan amount by more than \$10,000.

These policies apply and are effective for all awards of assistance directly from the City to homebuyers that are approved on and after the effective date of the ordinance adopting these policies, and shall be incorporated in all contracts and amendments made on and after that date under which any City Homebuyer Assistance is made available by or through another public or non-profit entity.

Policies Applicable only to 1995 Housing Levy Funds

The 1995 Levy supported loans are available only for homes purchased in the Housing Investment Areas as defined in this plan.

Policies Applicable only to 2002 Housing Levy Funds

Homebuyer assistance funded through the 2002 Levy may be used for downpayment and closing cost assistance, and interest rate buy-downs. Funds must primarily be used in Housing Investment Areas, as defined in this chapter of the Consolidated Plan. In accordance with the 2002 Housing Levy Administrative and Financial Plan (Levy A&F Plan), at least 75% of Levy Homebuyer Assistance Program funding must be used within designated Housing Investment Areas. In the allocation of at least 75% of these funds in Housing Investment Areas, if making funding decisions for proposals of equal merit, OH shall give priority to proposals for use of funding within communities that have historically been economically distressed. These communities are considered to be the

following Housing Investment Areas: Central Area, Pioneer Square, International District, Rainier Valley/Beacon Hill, Delridge/Westwood, and South Park. Up to 25% of program funding may be used anywhere in the City, provided that requirements outlined in the Levy A&F Plan are met. OH will monitor the location of home purchases using Levy homebuyer assistance and evaluate whether the policy for geographic targeting of these funds needs to be modified. Additional eligibility limits apply to these funds, as follows:

- At least 50% of program funding shall be used to assist first-time homebuyers with incomes at or below 60% of median income;
- Up to 50% of program funding may be used to assist first-time homebuyers with incomes at or below 80% of median income.

**Guidelines for
Neighborhood Notification Process
and
Good Neighbor Relationships**

The City of Seattle requires projects that it funds to engage in a neighborhood notification effort as they seek to locate, move or expand within a neighborhood.

Good relationships are predicated upon clarity of expectations, mutual respect and commitment to good faith.



**City of Seattle
Office of Housing
Siting Assistance Program**

Creating Opportunity, Investing in Community

Guidelines for a Notification Process

The City of Seattle requires projects that it funds to engage in a neighborhood notification effort as it seeks to locate, move or expand within a neighborhood. All projects engaging in such action, regardless of how they are funded, are strongly encouraged to conduct a community notification process.

A successful notification effort leads to open, ongoing communication between a developer and its neighbors. This requires effort and cooperation by the developer, the City, and members of the neighborhood. Establishing a positive, long-term relationship works to the benefit of everyone.

The following steps provide a comprehensive notification process that covers a broad range of possible needs. It is not meant to be a definitive process for each project and neighborhood. Rather, the Office of Housing, with assistance from the Department of Neighborhoods (DON), has tried to create a broad list of actions that the City, developer and neighbors can take to reach a place of mutual understanding and respect. Specific requirements will be implemented in the City policies which actually govern how those City dollars are spent.

Because each project has its own particular circumstances, each developer and neighborhood is encouraged to work with the Office of Housing Communications Director at 684-0604.

CAVEAT: The only exception to a City-required notification process is for facilities requiring confidentiality. This exception currently applies only to shelters for victims of domestic violence. A developer of such a facility should realize, however, that the near neighbors are going to figure out what is occurring at the site, hence the developer is well advised to undertake some sort of notification in order to build a supportive relationship with those neighbors. In fact, doing so may actually serve to assist in assuring confidentiality of site location.

1. Prior to settling on a site, the developer may contact the City of Seattle, Office of Housing's Siting Assistance Coordinator to determine what other human services or assisted housing are in the area being considered by the developer. This allows the developer to contact other developers for advice about community relations and about responding to concerns specific to that neighborhood. It also allows the developer to be sensitive to the concerns and history of particular neighborhoods. The OH can work with the developer to develop a notification plan and discuss the best way to approach the neighborhood with information about the proposed project. Because low income Housing can and should be developed in neighborhoods throughout Seattle, neighborhoods can read, learn and ask questions about assisted housing development. Neighborhood organizations could form Human Services Subcommittees to take the lead in communicating with, obtaining information from, and educating about developers. Organization leaders could consider meeting with the governing board of a human services agency to learn about operation and services. The Office of Housing and Department of Neighborhoods can help.
2. If a developer has begun to settle on a particular building or a specific neighborhood prior to making a financial commitment, **the OH strongly recommends that community notification begin at that time.** Many developers do notify neighbors early in the site search and site control process and find neighbors more receptive and helpful when involved early. It is important to note, however, that housing or human service developers look at sites throughout the region and may not know which site they will develop until it is secured by an option or purchase and sale agreement. Even then, there will be feasibility studies and funding applications before a deal can be closed and the site developed. For projects seeking OH funding, the OH requires notification to begin at this time, i.e., upon acquisition of site control. In situations where the facility is being leased, there is often no ability to defer occupancy, since payment of rent is likely to begin

immediately. In those cases, the notification process should begin immediately and continue even though operations have begun. In most cases, establishing a relationship will be easier the sooner the developer and neighborhood have a chance to learn about each other and discuss the proposed project coming to the neighborhood in which they will both be residents.

3. The developer should initially contact nearby neighbors (within 300 feet) and local community organizations. The nearest neighbors and individuals active in neighborhood affairs are likely to have the highest level of interest. The City, especially Office of Housing and DON, will provide contact information about neighborhood organizations and leaders to the developer upon request and can provide assistance in coordinating discussion with the community. Neighborhood organizations will be encouraged to invite the developer to attend an initial community meeting and facilitate distribution of information to their membership. While in some areas a neighborhood organization structure might suffice, the developer should also consider hosting its own informational meeting where it can lay out the whole picture and answer questions. The City and neighborhood can assist with assessing the need for such a meeting and helping to publicize it.
4. It is vital in developing a relationship that the developer and neighborhood establish a two-way dialogue. The developer should be willing to listen to honest concerns from neighbors and to discuss ways to make those with such concerns more comfortable. The neighborhood should listen to the developers in good faith with an open mind. The City's expectations are clear: The notification process is to allow information and dialogue between developer and neighbors, not to gain permission. The developer often has a proven method of providing housing and services for its clients which is not easily changed. The public has a right to know how public dollars are spent; the neighbors may have legitimate questions that deserve a respectful response and reasonable attempts should be made to address those concerns. The developer should inform the community about how, where and when neighbors can provide input, and the method developer will use to respond. The neighborhood should listen with an open mind, express legitimate concerns and with the developer seek the answers to those concerns. Neighbors can expect developers to consider thoughtfully suggestions to improve the project or service and to explain to neighbors why if such suggestions are not implemented. Developers should assure the neighbors about the safety and management of the facility or house. Neighbors cannot learn confidential resident information or have input into service plans.
5. The developer and neighborhood should discuss the following non-exclusive list of issues:
 - Agency history of housing/services offered.
 - Clients to be served by this housing/service; numbers, general daily activity and schedule.
 - Special characteristics of the client population (e.g., mental illness or recovering substance abusers), likely length of stay in the facility, and types of staff or support services, available and mandatory, whether on or off site.
 - The developer's history and reputation-- Characteristics of success and failure within the program, in general terms, e.g., possible outcomes for clients and how the program responds to each possibility.
 - The neighborhood and characteristics of the area that might be of concern to neighbor and developer alike.
 - Mechanisms for communication between the developer and its neighbors. The developer should offer a 24 hour contact number if one exists, or best after hours contact available. The neighborhood should identify persons who can act as a contact. The security of knowing where to call to get a response is important. Discuss how to maintain ongoing

communications, e.g., repeat visits to community meetings or written updates for newsletters.

- Names of interested neighborhood organizations and how to contact them.
- Development of a community advisory committee if needed. An advisory board is an excellent vehicle for mutual education and effective communication.

It is important for developer to be clear when a project is in a proposal stage so that the neighborhood understands the actual project may change, and this is the best time for suggestions and ideas, depending on fund source requirements and developing program models. They should also be informed of the funding schedule.

6. In general, these are questions often asked of developers by neighbors:

Will my family and I be safe?
Will there be additional traffic/parked cars?
Will my property values go down?
Will the facility or property be properly maintained?
Who will be accountable if something goes wrong?

7. The developer might consider having an open house before or immediately after the facility begins operation. Neighbors can attend an open house and get a first-hand feel for how it will operate.
8. Neighborhood organizations should consider inviting the developer to become a member, and the developer should consider participating. Likewise, developer should consider developing a neighborhood advisory committee or adding neighborhood representatives to existing advisory committees or the governing board.
9. The developer needs to keep the City informed of the progress of the notification process, the concerns and suggestions of the neighborhood, and the responses made by the developer. The City should keep abreast of developments and facilitate communication whenever necessary. The City may send representatives to community meetings when questions about City processes are likely. The City may at times include conditions in commitment letters or contracts (initial and final funding commitments, respectively) to address reasonable neighborhood concerns or suggestions.

Guidelines for Good Neighbor Relationships

The importance of good neighbor relationships. When a human service or housing developer begins operations in a neighborhood, many neighbors view the change with caution and concern. In fact, the vast majority of human service and housing facilities blend very quickly into a neighborhood, but most people prefer to have information about even benign or beneficial changes. Notification is an excellent way to begin to address those concerns, but a successful long-term relationship between developer and neighborhood will come from a mutual commitment to establish a means of working together. Through its funding processes, the City desires that developers which it funds and their neighbors make a good faith commitment to positive, constructive relationships. The City is committed to supporting developers and neighbors to make this succeed.

The benefits of good neighbor relationships. When a housing or human service developer and the neighborhood conscientiously set out to develop constructive relationships, the developer and the clients benefit, and positive contributions to the overall community should result. Good relationships are predicated upon clarity of expectations, mutual respect, and commitment to good faith.

A good, open relationship between a developer and its neighbors can prevent misunderstandings, achieve a prompt resolution of any inadvertent misunderstandings, and provide a rational, dependable means of ironing out differences, allowing developer and neighbor alike to live together, confident that any problems can and will be resolved. This is the foundation of trust and the basis for a lasting positive relationship.

How do you develop a good neighbor relationship?

Engagement. A developer should seek to engage its neighbors. Because neighbors might not be familiar with a human service or housing facility, they may not know how to approach the developer. As a result, the developer needs to make the first overtures toward the neighborhood. Neighbors can learn about the project with an open mind and participate in the dialogue. A developer sponsored Advisory Committee is a good place to begin contact with the neighborhood.

Education. Developers should include information on the general function and client population of the facility, to the extent it does not compromise the safety, confidentiality or well-being of the clients. An initial lack of knowledge might give way to unsupported fears. Neighbors should try to recognize and separate unsupported fears from honest questions. Neighbors can become proactive in learning about human service and housing issues. The City should articulate its role in providing pertinent information furthering education. All parties should keep working to build trust between the neighborhood and project or facility.

Involvement. Developers and neighbors should encourage clients to become part of the community and to get involved in community efforts.

Maintenance. Developers should make clear their intention to maintain the exterior of the property in a manner within the range of levels of maintenance in the neighborhood. Keep facilities in good repair; add amenities. Neighbors should realize that such an expectation needs to allow for a wide range of personal expression, reflection of this society's cultural diversity, and to reflect the budget of the facility. Everyone should commit to regular sidewalk and alley maintenance-- litter and garbage pick-up; de-icing/salting in winter conditions; sweeping, cleaning, mowing, and hosing as needed.

Safety. Developers should demonstrate their awareness of and commitment to safety-- demonstrate strict conformance with applicable code requirements for the type of facility provided. Developers should realistically address neighbors' public safety concerns. Neighbors and developers should work together to develop appropriate security, if needed. If possible, developers should have a number neighbors can call 24 hours a day for concerns and problem resolution.

Behavior. Developers should demonstrate and neighbors should understand that developers are committed to appropriate public behavior and that they communicate this to the clients they serve. Annoying behavior on the part of individuals should be dealt by neighbors just as any annoying neighbor, i.e., clear and firm but controlled requests directly to the individual to change or stop the behavior along with concise reasons why the behavior is unacceptable. The developer should be willing to help when dangerous or illegal behavior on the part of one of its clients occurs. The City can recommend nonprofit dispute resolution services when needed. Illegal behavior should not be tolerated by the developer and need not be tolerated by neighbors. Rather, they should discuss eviction and termination policies and procedures and should work jointly with police to identify and prosecute perpetrators and eliminate illegal behavior.

Communication. Developers and neighbors should commit to ongoing communication. Agreements to do so can be formal or informal.

Agreement. Developers and neighbors should consider whether to enter into a Good Neighbor Agreement, setting out each party's expectations of the other. Such an agreement should be used if clarity of understanding is hard to reach verbally. If an agreement is developed, it should state that it is not a binding contract and it should be time limited, e.g., six months or a year, with a commitment made to re-negotiate.

Policies to Guide Neighborhood Notification Process and Good Neighbor Relations

The City of Seattle, through the Office of Housing, is responsible for the funding and development of a wide variety of low income housing projects. The housing projects range in scope from domestic violence shelters to small family housing for low-income families to transitional housing opportunities for individuals in recovery from substance abuse to permanent assisted living arrangements for people who are developmentally or mentally disabled or seniors.

These projects, like any housing, daycare, clinic or office, can be found in any of Seattle's many diverse neighborhoods. Furthermore, City, state and federal law along with City policy prohibit land use codes or funding decisions which might work to exclude housing projects from and neighborhood solely because the people who are proposed to live there are members of a protected class, i.e., on the basis of race, creed, religion, sex, disability, etc. In other words, local laws and actions cannot result in discrimination against persons defined in law as members of a protected class, even if neighborhood residents prefer otherwise.

This law and policy often confuses or angers neighbors who would prefer that certain kinds of people not be allowed to live near them and their families. These concerns have to be tempered by the legal right of persons to live where they choose so long as they do not engage in behavior that is illegal or dangerous to others. The intent of the law is to protect people's right to live in all of Seattle's neighborhoods. It does not protect illegal behavior such as drug use or assaults. Hence, it is the policy of the City of Seattle that City funding of projects not be refused solely because neighbors express concerns about a project. Likewise, land use codes should not be written or passed to limit the living arrangements of members of a protected class any more than other individuals and families. In some cases, e.g., the disabled, legal requirements may require special arrangements as a "reasonable accommodation" to allow location of some projects for disabled individuals.

Seattle also has a strong commitment to maintaining the quality of life that our strong neighborhoods help to create. As a result, the City is committed to developing assisted housing projects that work to preserve and enhance the strengths of the neighborhoods of which they will become a part.

Further, the City recognizes that its citizens have a right to know, in general terms, how their dollars are being spent, and they have the specific right to be assured that they are being well spent. Hence the policy of the City is to encourage, support and in certain circumstances require the earliest and fullest reasonable notification and involvement of neighbors in City-funded projects and programs.

To achieve these goals, it is important that the City, neighborhoods, and developers and developers who work to develop human services and low income housing work together to understand each other's needs and goals. Every person ought to understand the laws and policies which govern Office of Housing development. Every person should know about the strengths of a community and how each can be respected and fostered. Every person ought to know about the services and housing that the City and community organizations provide and about the people who need them. Finally, every person needs to know their neighbors and be willing and able to work with them, if our neighborhoods are to continue to flourish as livable communities.

Accordingly, the City has been formulating policies that will help to make these efforts a success. In 1990, the City passed a resolution establishing Siting Policies for Human Services Facilities. These policies apply to human service programs funded by the City and are intended as encouragement for all others. The City has also updated its Consolidated Plan and Housing Levy Policies, which direct the City's housing priorities and govern how the City spends its housing dollars, to clarify the roles of the neighborhood, developer and City in the siting process.

Finally, as noted above, all projects which provide housing are protected by City, state and the federal law, which prohibit discrimination in housing based on race, religion, family status, national origin, or disability, etc.

These goals have led to the development of guidelines for a neighborhood notification process and for good neighbor relationships. It is the intent of these guidelines to outline ways in which the City, neighborhoods, and Office of Housing developers can work together to promote open communication and mutual understanding and work together to build Seattle's future.

Implementation of the Guidelines

The Guidelines for a Notification Process and Guidelines for Good Neighbor Relationships have been written to be just that: guidelines. This document is intended for use as a resource for any individual, whether developer or neighborhood resident, who wishes to establish good relationships and open, effective communication with neighbors or potential neighbors. Accordingly, it is compiled as a working guide used by the Office of Housing and encouraged for use by others.

Office of Housing will use these guidelines to make decisions regarding requirements for City-funded projects. Hence, many of the Guidelines will be required by the City of those projects which its funds. The authority to make such requirements will not come from this document but rather the specific policies adopted by the City to govern the spending of City funds on the development of human services and assisted housing. There are three specific policy plans which incorporate some or all of the ideas contained in the Guidelines: the 1990 City Policies for Siting Human Services Facilities, the 2001-2004 Consolidated Plan and the Seattle Housing Levy Administrative and Financial Plan, 2001-2002. Copies of these documents can be obtained from Office of Housing, 684-0721. A summary of the relevant portions of each follows:

1. 1990 City Policies for Siting Human Services Facilities. These policies were passed by City Council in 1990 after a three year period of study. Policy 2 states:

It shall be the City's Policy to encourage, and in some cases to require human services agencies who plan to locate programs within the city to notify and involve the City and the affected neighborhood as early as possible in siting and project development, and to maintain ongoing communications with appropriate City staff and neighborhood organizations as siting plans move forward.

Notification may be required for agencies as part of funding agreements with the City or other governmental agencies. These requirements shall be coordinated with notification requirements of the City's Land Use Code to assure that agencies do not duplicate activities and that the community's role is clear.

The City shall establish notification guidelines and procedures for human services agencies, taking into account the nature and timing of processes to notify both the City and the community.

The Office of Housing continues to work with human services agencies to ensure adequate and appropriate notification as they seek to locate new programs or relocate or expand existing ones.

2. The 2001-2004 Consolidated Plan. The Plan is an extensive, detailed compilation of City plans and goals for the development of affordable housing and related services. It states the City's policies on and commitment to affordable housing, to prevention of homelessness and to services related to housing. Included within the Plan, in appendix 3, are "Location Guidelines", which read, in part:

The location of assisted housing may be a sensitive issue to the neighbors of a proposed project. Citizens and community organizations have many legitimate concerns about the impact of projects on their neighborhood, especially the cumulative impact of several projects. Residents should have the opportunity to express their concerns to the sponsor of a proposed project before the plans are finalized.

Sometimes, however, residents do not want an assisted housing project in their neighborhood for reasons unrelated to demonstrated land-use impacts of the project, including simple resistance to change in the status quo. While such concerns are real and should be addressed, such concerns will not be a reason for the City to deny funding to a project.

It is the City's policy that assisted housing should be permitted and supported by the City in all neighborhoods except where there is already a high concentration of that housing. Subsidized housing will sometimes be permitted even in areas with a concentration of such housing when it is part of a neighborhood plan, a sub-area plan, or the comprehensive plan.

At the same time, the City believes project sponsors should provide fair notice to neighborhood organizations early enough so that residents have an opportunity to review project size, design, and other factors which could impact the area.

This language provides the basis for much of the City's work in drafting notification guidelines for the location of assisted housing throughout the city. In fact, an "action step" in the CHAS specifically commits that, "the City, through, Office of Housing, will develop procedures to require notification and adherence to good neighbor guidelines for those projects receiving City funds and will strongly encourage projects not receiving City funds to adhere to the same guidelines." In addition to these policies, the CHAS also references City policies on "scattered site" subsidized housing development and specific dispersion criteria for new construction of subsidized low income rental units. (See, CHAS sections on Public Policies and Location Guidelines.)

3. The Seattle Housing Levy Administrative and Financial Plans, 2001-2002. These plans govern the expenditure of funds generated by the 1995 Seattle Housing Levy. In addition, many of the City's housing funding programs have adopted the Levy policies. They reflect the City's goals as expressed in the 2001-2004 Consolidated Plan, and will require community notification for siting assisted housing projects funded by the levy

Established May, 1993